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HR development key to nation achieving developed status

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HUMAN resources development has been identified as the most critical areas that Malaysia needs to improve on to become a full-fledged developed nation by 2020.

Under the Government's newly unveiled knowledge-based economy (k-economy) masterplan, developments made in that area will be the vehicle to put Malaysia back on its competitive advantage.

K-economy is defined as an economy in which knowledge, creativity and innovation play an ever-increasing and important role in generating and sustaining growth.

The k-economy masterplan charts the course for the development of Malaysia from an input driven to a knowledge-based economy.

The Government on Monday unveiled Malaysia's comprehensive k-economy masterplan in Kuala Lumpur, which contains 136 recommendations.

Fully endorsed by the Cabinet, the masterplan will be the blueprint for the Government to refer as it implements Vision 2020 which will be subjected to a periodic review and will be revised accordingly.

"Creatively implemented for the public and the private sectors, the masterplan should be invaluable in catalysing new growth," Second Deputy Finance Minister Datuk Dr Shafie Mohd Salleh said at the unveiling ceremony.

Also present was the ministry's secretary general Tan Sri Samsudin Hitam, National Economic Action Council executive director Datuk Mustapa Mohamed, the Institute of Strategic and International Studies (ISIS) chairman and chief executive officer Tan Sri Dr Noordin Sopiee, director general Datuk Mohamed Jawhar Hassan and former deputy director-general Datuk Dr Zainal Aznam Yusof.

According to the masterplan, among reasons why Malaysia must embrace k-economy include the erosion of global boundaries and increasing foreign competition.

Malaysia also needs to shift into a more profitable and wealth-generating stages of production to face globalisation and seek new resources of growth.

The World Competitiveness Yearbook ranked Malaysia 18th in terms of competitiveness, but it dropped to 29th last year.

Finland, however, during the same period leapfrogged to third last year from 19th previously. Similarly, Ireland jumped to seventh from 21st previously.

Among the recommendations made include the building of infostructures for human resources, emerging technologies, k-industries, k-management and telecommunications.

Others include incentives for information and communication technology (ICT), innovation, technology diffusion, intellectual capital, grant accelerated depreciation allowance and develop the venture capital sector.

In addition, the incentives will enhance the role of the Malaysia Exchange of Securities Dealing and Automated Quotation (Mesdaq), enhance financing facilities through financial grants, a national financing system for k-based industries and economic activities.

ISIS was tasked to draft and prepare the plan in March 1999, covering 2001 to 2010, and steered by a committee headed by the Finance Ministry.

The plan charts various strategies, policies and institutional changes needed to transform the economy into k-economy.

The k-economy is an economic structure which requires many knowledgeable workers who are skilled in their respective fields.

It will incorporate strategic action plans in 15 fields, which include human resources, technology, transportation, public services, manufacturing and agriculture.

Malaysia is currently facing certain shortcomings in the development of human capital, an important determinant to transform the economy to a k-based one.

The masterplan was mooted by Prime Minister Datuk Seri Dr Mahathir Mohamad, also dubbed as Malaysia's Strategic Initiative (I) of the 21st century.

The Government had allocated RM5 million in Budget 2000 for the development of the plan.

The masterplan takes into account the feedback from people from all walks of life, all segments of society and encompasses various sectors which include education, judiciary, infra-structure, politics and various cultural and spiritual aspects.